AMENDMENTS TO DRAFT BUDGET RELATED POLICIES 2018/2019

- **TARIFF POLICY**

Amended

6. Meeteenhede

Die volgende meeteenhede sal waar moontlik is, gebruik word om verbruik te meet, tensy anders aangedui of bepaal word in die tarief struktuur:

a. Water:

i. Kiloliter verbruik.

ii. Waar verbruik nie gemeet kan word nie sal 'n vaste tarief toepaslik wees.

iii. Residensiële verbruikers word vanaf die eerste kiloliter verbruik, aangeslaan. Slegs geregistreerde deernishuishoudings ontvang gratis water.

- **RATES POLICY**

Amended

KATEGORIEË VAN EIENAARS

7. **(1)** Die eienaars van eiendomme wat vir landboudoel gebruik word , sal vir die doel van artikel 15 (1) (b) van die Wet ' n korting kry op die eiendomsbelasting betaalbaar op die spesifieke eiendom. Die eiendomsbelastingkoers betaalbaar sal 35 % wees van die eiendomsbelastingkoers vir landbou eiendomme soos vasgestel deur Matzikama Munisipaliteit. Die korting van 65 % sal toegestaan word op die eiendomsbelasting gehef op die spesifieke eiendom. Verwys ook na artikel 15 (2)(d)(ii)

- **CREDIT CONTROL POLICY**

Amended

~~6.6~~6.7 Die Munisipale Bestuurder se gemagtigde amptenaar sal 'n lesing van die meters bewerkstellig op die werksdag wat die datum van okkupasie van die eiendom voorafgaan.

~~6.7~~6.8 Die Munisipale Bestuurder mag van tyd tot tyd van alle eienaars of okkupeerders (skrap) van onroerende eiendomme ten opsigte waarvan munisipale dienste gelewer word, vereis om skriftelike ooreenkomste, waarna verwys word in paragraaf 6.3~~6.36.3~~, met die Munisipaliteit te sluit. Formatted: Font color: Red Formatted: Font color: Red

~~6.8~~6.9 Desnieteenstaande die bepalings van paragraaf 6.8~~6.86.7~~, mag die Munisipaliteit na inwerkingtreding van hierdie Beleid enige eienaar of Formatted: Font color: Red

okkupeerder (skrap) van onroerende eiendom ten opsigte waarvan munisipale dienste gelewer word, verplig om 'n skriftelike ooreenkoms met die Munisipaliteit aan te gaan ten opsigte van die verskaffing van munisipale dienste.

~~7. Depositos en waarborge~~

~~7.1 'n Aanvraer om die verskaffing van munisipale dienste sal die voorgeskrewe deposito betaal soos jaarliks vasgestel in die Munisipaliteit se Tariefstruktuur as deel van sy begrotingsproses voordat enige munisipale dienste verskaf word, welke deposito sal dien as sekuriteit vir die betaling van munisipale dienste gelewer.~~

~~7.2 Desnieteenstaande paragraaf 7.1 mag die Munisipale Bestuurder, in sy of haar uitsluitlike diskresie, op skriftelike kennisgewing aan die eienaar van onroerende eiendom na die sluiting van die ooreenkoms waarna verwys word in paragraaf 6.36.2 en onderhewig aan die bepalings van paragraaf 7.3, die deposito betaalbaar verhoog of verlaag.~~

~~7.3 Die Munisipale Bestuurder sal voordat enige besluit geneem word om die deposito te verhoog, aan die eienaar of verantwoordelike persoon kennis gee van die voorgenome verhoging en sal in voormelde kennisgewing volle redes verskaf vir die beoogde verhoging en aan die eienaar of of verantwoordelike persoon geleentheid bied om skriftelike vertoë in hierdie verband te rig.~~

~~7.4 By beëindiging van die toevoer van dienste moet die bedrag van sodanige deposito minus enige betalings verskuldig aan die Munisipaliteit terugbetaal word aan die rekeninghouer na verskaffing van bankbesonderhede deur die Rekeninghouer.~~

- **INDIGENT POLICY**

  Not Amended

- **CASH MANAGEMENT AND INVESTMENT POLICY**

  Not Amended

- **SUPPLY CHAIN MANAGEMENT AND ASSET MANAGEMENT POLICY**

  Not Amended

- **FUNDING AND RESERVE POLICY**

  Not Amended

- **DEBT POLICY**

  Not Amended

- **TRAVEL AND SUBSTANCE POLICY**

  Not Amended

➢ VIREMENT POLICY

Amended

"**mSCOA**" is an abbreviation for Municipal Standard Chart of Accounts and is the classification framework for all accounting entries for municipalities. All transactions must be allocated to all seven segments of chart, namely:
1. Project segment;
2. Function segment;
3. Fund segment;
4. Regional segment;
5. Item segment;
6. Costing segment; and
7. Municipal classification segment (Only this segment is optional)

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means-
(a) an employee of a municipality or municipal entity;
(b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
(c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"overspending"-
(a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
(b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
(c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"overspending" -
(a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
(b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
(c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"quarter" means any of the following periods in a financial year:
(a) 1 July to 30 September;
(b) 1 October to 31 December;
(c) 1 January to 31 March; or
(d) 1 April to 30 June;

"virement" ~~refer to the definition of budget transfer~~ means the process of transferring an approved budgetary provision within the same vote from one Item segment or any combination of other segments to another during a municipal financial year and which results from changed circumstances from that which prevailed at the time of the previous budget adoption;

"vote" means-
(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned and includes:

- Vote 1 - Executive & Council

7. VIREMENT PROCEDURE

a) All virement proposals must be fully completed on the ~~appropriate documentation~~ application form as prescribed by the Budget Office Refer to attached Annexure 1) and must be completed in accordance with Council's budget policy. ~~and forwarded to the relevant Finance Officer for checking and implementation. (See annexure 1)~~

b) All virements must be signed and motivated by the relevant Director of the directorate within which the vote is allocated. (Section 79 MFMA)

~~c) Projected cash flows in the SDBIP should be adjusted in line with the virement.~~

c) Completed virement documentation must also be verified by the Head: Expenditure as confirmation of available funds and/or savings.

d) All documentation must be in order and approved before any expenditure can be committed and incurred. (Section 79 MFMA)

~~e) No virements of funds across votes (directorates) will be accommodated during the year, unless within the adjustments budget~~

.

~~f) All virementations must be motivated and need to be approved by the CFO or a delegated official after the Director of the department has recommended said transfer. The latter requires that such application reaches the office of the CFO prior to incurring expenditure.~~

-

8. VIREMENT RESTRICTIONS

a) ~~No funds can be viremented between the different types of budgets (E.g. virements can only be made from basic capital to basic capital and operating to operating)~~ No funds may be viremented between votes (Directorates) without approval in an adjustment budget.

b) No virement shall create new capital projects without the approval as contemplated or allowed by the adjustments budget process.

c) The budget savings from the following line items (necessary adjustments) may only be considered and transferred by the CFO

(i) Salaries and allowances
(ii) Depreciation
(iii) Finance Charges (Interest on Loan)
(iv) Appropriations
(v) Contributions to Funds
(vi) Administration Cost
(vii) Municipal Services Consumption (Water, Electricity, Refuse and Sewerage)
(viii) Internal charges
(ix) Bulk Purchases (Water and Electricity)
(x) Agency Fees
(xi) Grants and subsidies paid

d) No virement may be made where it would result in ~~over~~ unautorised expenditure. (Section 32 MFMA)

e) Virements may not be made between Expenditure and Income.

~~f) Virements across expenditure categories can only be authorised by the CFO. (eg. From one "Repairs and Maintenance" vote number to a "General Expenses" vote number.~~

~~g~~f) No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior approval of the Mayoral Committee. This refers to expenditures such as entering into agreements into lease or rental agreements such as vehicles, photo copiers or fax machines.

Annexure 1

MATZIKAMA MUNICIPALITY

VIREMENT APPLICATION: OPERATING / CAPITAL BUDGET

This form must be:
Signed by the Head of Department
Approved by the Chief Financial Officer (only applications > R50 000)
Signed by Municipal Manager (if 2 does not apply):

NOTE:

The votes involved must be within the same category and transfers to/from operating to capital are not allowed.
No viroments are allowed in the first three months and the last month of the financial year.

TRANSFER REQUIRED: R ..... BUDGET YEAR: 20... / 20...

DESCRIPTION	FROM	TO
VOTE NUMBER		
VOTE DESCRIPTION		
TRANSFER AMOUNT		
VOTE NUMBER		
VOTE DESCRIPTION		
TRANSFER AMOUNT		

MOTIVATION:

.....
.....
.....
.....
.....

HEAD OF DEPT SIGNATURE: ..... DATE: .....

CHECKED BY: ..... (BUDGET AND REPORTING MANAGER) DATE .....

APPROVED BY: ..... (CFO APPROVAL VIREMENTS ABOVE R50 000) DATE: .....

BUDGET ADJUSTMENT PROCESSED BY: ..... DATE: .....

AUTHORISED BY: ..... (MUNICIPAL MANAGER VIREMENT POLICY) DATE .....

ANNEXURE 1

MATZIKAMA MUNICIPALITY

APPLICATION FOR A VIREMENT OF FUNDS

matzikama

TO: CHIEF FINANCIAL OFFICER

FROM DIRECTORATE: _____

FINANCIAL YEAR: _____

This form must be signed :
1. by the Chief financial officer (only applications above R50 000)
2. signed by the Municipal Manager (if 1 does not apply)

Transfer the following savings as identified on the current budget to the following budget allocations:

Decrease		Increase		Amount
Macoa Vote Number	Vote Description	Macoa Vote number	Vote description	

MOTIVATION FOR TRANSFER:

It is hereby certified that the above request for the transfer of funds adhere to the Budget Policy as approved by Council.

Requested by:		
Name:	Signature:	Date

Approved by Director		
Name:	Signature:	Date

Savings confirmed by Head of Expenditure		
Name:	Signature:	Date

Approved by CFO / Municipal Manager		
Name:	Signature:	Date

Review of virement processed Head of Expenditure		
Name:	Signature:	Date

Processed by Accountant Budget and reporting		
Name:	Signature:	Date

- **<u>BUDGET IMPLEMENTATION AND MONITORING POLICY</u>**

  Amended
  - Policy was amended as a whole. Please see policy.

- **<u>RENTAL OF CARAVAN/CAMPING SITES AND CHALETS IN MATZIKAMA MUNICIPAL AREAS</u>**

  Not Amended

- **<u>INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT POLICY</u>**

  Not Amended

- **ASSET MANAGEMENT POLICY 2018-2019**

  Not Amended